STATINTL

Approved Fp1 Release 2002/06/28 : CIA-RDP78-04864A000300060013-8

CENTRAL INTELLIGENCE AGENCY INFORMATION FROM

FOREIGN DOCUMENTS OR RADIO BROADCASTS

REPORT NO.

COUNTRY

COMMUNIST CHINA

DATE OF 20-26 July 1953

DATE DIST. 20 August 1953

INFORMATION

CD NO.

SUBJECT

INDICATIONS OF PSYCHOLOGICAL VULNERABILITIES

HOW **PUBLISHED**

WHERE

PUBLISHED

NO. OF PAGES

DATE

PUBLISHED

SUPPLEMENT TO REPORT NO.

LANGUAGE

ATION OF ITS CONTENTS TO OR RECEIPT BY AN UNAUTHORIZED PERSON IS

THIS IS UNEVALUATED INFORMATION

SOURCE Monitored Broadcasts

CPW Report No. 84 -- COMMUNIST CHINA

(20 - 26 July 1953)

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1. (la) SOVIET ECONOMIC PENETRATION: Peking stated in numeral code (July 21) that Russian petroleum experts who surveyed the Southwest had decided the area contained large deposits of petroleum, prepared geological maps, located sites for test wells, and were training helpers to proceed with exploitation.

Peking reported (July 20) that Soviet technicians were building an automatic thermal electric power plant in Tihua, using only Soviet equipment.

2. (1b) SINO-SOVIET FRIENDSHIP: Peking reported in numeral code (July 20) that SSFA units were celebrating the birthday of Soviet poet Mayakovsky. Peking said (July 25) that a trade meeting in the Silingol League, Inner Mongolia, sold 1,000 copies of Mao's works and 100 volumes of Malenkov's report to the CPSU Congress.

Peking announced (July 26) that the New China industrial and trade exhibit in Moscow, already viewed by 200,000 persons, would run for two weeks. Peking in numeral code (July 22), quoting TASS, reported a Chinese art exhibit in the Kirghiz SSR.

3. (1c) SOVIET SUPERIORITY: Peking asserted in numeral code (July 24) that Mukden had adopted Soviet lathes and milling machinery, replacing inferior Japanese machinery, while Soviet experts had produced a better paper grade in Northeast mills. Rubber mills, by adopting progressive Soviet methods, were making tires that lasted twice as long, and rubber shoes that did not crack.

Peking claimed in numeral code (July 25) that Soviet designing methods had saved 10 billion yuan in the Shansi and Peking construction companies and the Peking Engineering Bureau. Chinese designing personnel had been indifferent to local conditions.

Peking reported in numeral code (July 25) that the Education Ministry, using advanced Soviet experiences, revised high school curricula to meet national construction needs. Hangehow (July 22) praised the Soviet Central Statistical Bureau report on USSR economic development.

4. (1c) ADOPTION OF SOVIET PROPAGANDA: Chungking (July 21) in its armed services program praised USSR national construction since Stalin's death. Russian authorities had used strong steps against American utilization of traitors for sabotage in East Germany and other Gommunist nations. "Renegade Beria," high in the confidence of the imperialists, undermined collective farms and connived with henchmen in criminal activities against Party and State.

American claims that Beria's ouster resulted from a struggle for power within the Party, indicating a "split," were denounced. On the contrary, the Party's ability to eliminate spies and renegades demonstrated its strength. The Chinese Communist Party would have to learn from the Beria case to foster Party unity, improve Party work, bolster national construction, consolidate Sino-Soviet friendship, and struggle against imperialist subversive activities.

5. (2a) WAR BURDENS: Peking reported in numeral code (July 24) that North China authorities had ordered an inspection of preferential treatment in preparation for Army Day. Shanghai and Mukden (July 21) announced meetings to promote preferential treatment. Shanghai reported (July 24) that Yangshupu and Luwan Chu factories had given jobs to 125 army dependents. Mukden (July 26) reported the program being implemented in the Northeast, with Jehol commending preferential treatment models.

Hangehow, Nanking, Foochow, Shanghai, and Chungking (July 20) and Changsha (July 21) reported a Kuomintang attack on Tungshan Island. Peking said (July 20) that PIAmen repulsed the attack and wiped out 3,000 "invading Chiang bandits," while Fukien organized comfort teams to carry gifts to the brave defenders. Peking stated (July 22) that CPV units had congratulated Tungshan PIA units on their victory.

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Peking in numeral code (July 21) gave TASS reports that the London Times had published statements demanding an end to restrictions on medical supply shipments to China.

6. (2c) ECONOMIC DIFFICULTIES: Peking in numeral code (July 20) quoted Hong Kong reports that the British trade delegation that visited China was optimistic concerning increased trade. Peking said (July 23) that London spokesmen condemned the U.S. embargo policy, which was wrecking the rubber trade. Peking asserted in numeral code (July 24) that a Japanese drive to promote trade with China had started.

Shanghai announced (July 24) that the Shanghai Power Company had called for reduced consumption to avoid overloaded facilities. Peking said in numeral code (July 24) that the Central Hunan Power Administration had corrected the erroneous thinking of workers who blamed manpower shortages for the difficulties.

Peking reported in numeral code (July 21) that North China authorities had ordered improved ventilation and adjustment of working hours and medical supplies to combat hot weather work stoppages. Peking added (July 26) that Dairen, Chinchow, Penchi, and Kirin industries, under Party orders, had installed ventilation equipment and improved safety methods. Chinchow said (July 21) that the local federation of labor had called meetings to combat absenteeism.

Peking reported in numeral code (July 22) that obsolete mining methods led to fires in the Huainan mines. Three areas in the Chiulungkang mine had been cleared of fire and would resume production.

Peking stated in numeral code (July 25) that the Southwest Iron and Steel Company had been reorganized, with a system of responsible administration. Shanghai said (July 23) that the city government had ordered private building owners to make repairs, or lives would be endangered during the typhoon season.

7. (3a) STRENGTHENING PARTY CONTROL: Peking said in numeral code (July 20) that the North China Party School had trained 5,200 Marxist-Leminist teachers, and added (July 25) that nearly 160,000 had graduated from various Party schools. Mukden amnounced (July 21) that 30,000 Northeast cadres were studying the history of the Soviet Communist Party, and (July 24) that 70,000 election cadres were being trained in the Northeast.

Shanghai asserted (July 25) that inspection of labor discipline increased factory production. Shanghai said (July 23) that publicity for the Trade Union Congress resolutions had improved discipline in the Huatung Electric Works. Peking stated in numeral code (July 25) that the Southwest Iron and Steel Company had "established a system of responsibility."

Chungking (July 23) devoted its armed forces program to a history of the PLA, stressing the part the Communist army played in defeating the Japanese and the aid given by the Soviet Army.

8. (3a) BASIC CONSTRUCTION: Peking declared in numeral code (July 25) that Southwest PIA men had "returned to construction work," with sergeants becoming mechanics and company commanders site managers. Many "aggressive elements" at first did not understand their construction functions. Peking said in numeral code (July 21) that 673 Chunghua University engineering graduates had pledged to "unconditionally accept" work assignments.

Peking reported in numeral code (July 21) that 39 engineering companies were working on 33 old and new coal mine development projects to meet national construction needs, principally in North China and the Northeast. Peking said (July 22) that the Yungchuan coal mines, Szechwan, would expand operations and increase coking coal production, and added (July 26) that a railway from Chungking to the

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Kweichow-Gzechwan mines had been built, via Chichiang. Peking announced (July 22) that the Heavy Industry Ministry had ordered basic construction units to observe systems of responsibility and improve the quality of their work.

- 9. (3b) CONTROL OF RELIGION: Shanghai asserted (July 25) that 200,000 persons had viewed the local exhibition of "criminal activities of imperialist elements of the Catholic Church." Hangchow said (July 22) that Chekiang Catholics supported denunciation of Catholic imperialists and special agents.
- 10. (3e) RURAL DIFFICULTIES: Peking asserted in numeral code (July 22) that mobile courts settled Miao and Han water rights disputes by pointing out that landlords fomented them; disposed of 69 marriage cases; and punished a rich peasant for undermining drought control.

Peking claimed (July 24) that Shantung rural cadres had improved their work, and added (July 25) that Szechwan cadres now were working satisfactorily as a result of peasant criticism. Peking said in numeral code (July 26) that corrective measures had stopped "blind expansion" and other irregularities among Southwest mutual aid teams.

Feking reported in numeral code (July 26) that serious weaknesses in Hsin Hua book stores operations had been revealed. Books coordinated with campaigns were unavailable, while warehouses were stocked with unsalable volumes. A reallocation of books among peasants was ordered, with consideration for buying power and literacy.

Peking said (July 26) that the Chungking 201 Machine Shop and the Yuhua Textile Mill had "established friendly relations with nearby peasants. Sian (July 20) reported that 400 Shensi wheat buying stations were paying up to 15 percent more for their grain than last year. Sian (July 21) devoted considerable broadcast time to instructions for eliminating the "five excesses" in rural areas.

11, (4) BORDER MINORITIES: Peking said in numeral code (July 26) that a conference on the organization of a Yunnan automomous area for Chingpo and other tribes resolved to create racial harmony, develop the local economy, and "consolidate border defenses."

Tihua stated (July 23) that Kashgar Special Administrative District, Sinkiang, cadres were guiding the peasants and making loans to poor farmers, and added (July 24) that the Sinkiang land reform committee chairman had ordered cadres to "increase their efforts" and complete land reform.

12. (4) SINO-JAPANESE RELATIONS: Peking stated (July 21) that a contribution and message of condolence had been sent to Kyushu flood wictims. Peking (July 22) reported plans to send a Japanese delegation to China National Day festi: 1- ties, Oct. 1, as part of Sino-Japanese Friendship Month. Peking announced (July 21) that the soviet Mirsion in Japan had contributed 36 million yuan for flood relief, and added (July 23) that Molotov had received Ikuo Oyama.

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